

## **Program C: Criminal Law and Medicaid Fraud**

Program Authorization: La. Constitution, Article IV, Section 8; R.S. 36:701(D); R.S. 36:704(E) and (F); R.S. 13:4448; R.S. 49:251-253 and 257(B); R.S. 15:1311(B); R.S. 42:66(G); R.S. 22:1241 and 1245; R.S. 40:1421 and 1422; C.Cr.Pr. Articles 61, 67, 261-280, 1880; 42 C.F.R. 1007.

### **Program Description**

The mission of the Criminal Law and Medicaid Fraud Program is to seek justice on behalf of the citizens of the State of Louisiana by the execution of superior, professional, and effective investigation and prosecution of all matters referred to the Department of Justice.

The goals of the Criminal Law and Medicaid Fraud Program are:

1. Provide superior legal and professional services to the State of Louisiana.
2. Develop a working environment that encourages competent individuals to seek career employment in the Criminal Law and Medicaid Fraud Program of the Department of Justice.
3. Improve cooperative working relationships with federal, state, and local agencies and private sector organizations.

The Criminal Law and Medicaid Fraud Program includes two activities (organizationally expressed as divisions): Criminal Division and Investigation Division. The functions of both divisions are supervised by the deputy attorney general and program manager (who is responsible for monitoring the activities of all staff personnel, including the division directors, as well as for the administration and implementation of policy).

The Criminal Division is divided into seven sections: Administrative Section; Prosecution and Technical Services Section; Special Services Section; White Collar Crimes Section; Violent Crime and Drug Unit; Insurance Fraud Unit; and Medicaid Fraud Control Unit and the High Technology Crime Unit.

- The Administrative Section supervises, controls, and coordinates all personnel and functions of the Criminal Division.
- The Prosecution and Technical Services Section prosecutes violations of the criminal laws of the state by conducting or assisting in criminal prosecutions pursuant to the request or request of a district attorney. This section also serves as advisor to district attorneys, law enforcement, and the legislature; a training agency for law enforcement; and as liaison between various levels of law enforcement within the state.
- The Special Services Section provides legal services to the state in the areas of extradition; appeals and habeas corpus proceedings; serving as amicus curiae in matters pending before the U.S. Supreme Court; and preparation of attorney general opinions concerning matters of law.
- The White Collar Crimes Section specializes in the investigation and prosecution of economic crime, including theft by fraud, investment and financing frauds and Ponzi schemes, insurance fraud, racketeering, money laundering, and other related financial-type crimes. The unit also investigates and prosecutes criminal violations of the state hazardous waste and other related environmental laws.
- The Violent Crime and Drug Unit specializes in violent crimes against the person and narcotics cases of all varieties. Although the Prosecution and Technical Services Section handles some violent offenses and drug cases, the goal of the Violent Crime and Drug Unit is to develop a staff of prosecutors proficient in areas of criminal law that increasingly require specialized training and knowledge.

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- The Insurance Fraud Unit prosecutes cases of insurance fraud referred to the Department of Justice by the Department of Insurance.
- The Medicaid Fraud Control Unit investigates and prosecutes individuals and entities defrauding the Medicaid Program or abusing residents in health care facilities. It also initiates recovery of identified overpayments.
- The High Technology Crime Unit (HTCU) is a new section developed to address computer related crimes that may involve fraud, identity theft, child pornography, attacks against legitimate businesses by hackers, support to local and state law enforcement in the capture and analysis of computer data, and to function as the state's computer crimes liaison with the National White Collar Crime Center and federal law enforcement agencies.

The Investigation Division is divided into four sections: Administrative Section, Trial Section, Special Investigations Section, and General Investigations and Government Support. The Director of the Investigation Division supervises each section.

- The Administrative Section supervises, controls, and coordinates all personnel and functions of the Investigation Division. The division also has two investigators assigned to the Cooperative Disability Investigations Pilot Project.
- The Trial Section provides follow-up investigation services for the trial attorneys of the Criminal Division. The investigations are those things deemed necessary by the assistant attorneys general that were not done by the primary investigative agency. These services include locating witnesses who have moved since the offense occurred, running record checks on potential witnesses, providing transportation for victims and witnesses who have none, providing security for victims, witnesses, and assistant attorneys general, procurement of evidence, and witness management during trial.
- The Special Investigations Section provides investigative services in those cases referred to the Louisiana Department of Justice involving white collar crimes or public corruption. Due to the fact that many district attorneys lack personnel with the necessary expertise or wish to avoid becoming embroiled in local politics, this type of crime is an ever-increasing part of the program's caseload. Appropriately, this section is staffed with accountants along with other investigators.
- The General Investigations and Government Support Section provides investigative services in all matters not covered by the two specialized sections described above. Additionally, this section responds to the numerous requests for investigative assistance from any government agency—local, state, or federal.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$2,903,033	\$3,326,929	\$3,326,929	\$3,466,742	\$2,780,950	(\$545,979)
STATE GENERAL FUND BY:						
Interagency Transfers	337,682	401,623	401,623	411,758	372,815	(28,808)
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	305,456	336,004	336,004	336,787	332,955	(3,049)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	1,234,759	1,570,638	1,570,638	1,464,227	1,300,349	(270,289)
TOTAL MEANS OF FINANCING	<b>\$4,780,930</b>	<b>\$5,635,194</b>	<b>\$5,635,194</b>	<b>\$5,679,514</b>	<b>\$4,787,069</b>	<b>(\$848,125)</b>
EXPENDITURES & REQUEST:						
Salaries	\$2,967,703	\$3,347,574	\$3,029,090	\$3,135,794	\$3,164,882	\$135,792
Other Compensation	43,538	49,060	49,060	39,028	39,028	(10,032)
Related Benefits	654,698	730,110	740,094	839,623	750,974	10,880
Total Operating Expenses	774,125	801,577	1,046,578	947,297	588,735	(457,843)
Professional Services	4,334	8,388	8,388	8,597	8,388	0
Total Other Charges	100,716	118,726	182,226	182,614	167,226	(15,000)
Total Acq. & Major Repairs	235,816	579,759	579,758	526,561	67,836	(511,922)
TOTAL EXPENDITURES AND REQUEST	<b>\$4,780,930</b>	<b>\$5,635,194</b>	<b>\$5,635,194</b>	<b>\$5,679,514</b>	<b>\$4,787,069</b>	<b>(\$848,125)</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	73	77	77	77	75	(2)
<b>TOTAL</b>	<b>73</b>	<b>77</b>	<b>77</b>	<b>77</b>	<b>75</b>	<b>(2)</b>

## SOURCE OF FUNDING

This program is funded with State General Fund, Interagency Transfers, Statutory Dedications and Federal Funds. Interagency Transfers are derived from various state agencies for investigative and legal services. Statutory Dedications are from the Insurance Fraud Fund. Federal Funds are derived from the Department of Health and Human Services Medicaid Fraud Unit and the U.S. Department of Justice for drug prosecution. (Per R.S. 39.36B. (8), see table below for a listing of expenditures out of each Statutory Dedicated Fund.)

	<b>ACTUAL</b>	<b>ACT 13</b>	<b>EXISTING</b>	<b>CONTINUATION</b>	<b>RECOMMENDED</b>	<b>RECOMMENDED</b>
	<b>2001-2002</b>	<b>2002-2003</b>	<b>2002-2003</b>	<b>2003-2004</b>	<b>2003-2004</b>	<b>OVER/(UNDER)</b>
						<b>EXISTING</b>
Insurance Fraud Fund	\$305,456	\$336,004	\$336,004	\$336,787	\$332,955	(\$3,049)

## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$3,326,929	\$5,635,194	77	ACT 13 FISCAL YEAR 2002-2003
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$3,326,929	\$5,635,194	77	EXISTING OPERATING BUDGET - December 2, 2002
\$29,000	\$67,836	0	Acquisitions & Major Repairs
(\$151,302)	(\$423,758)	0	Non-Recurring Acquisitions & Major Repairs
\$253,722	\$358,296	0	Salary Base Adjustment
(\$33,729)	(\$80,126)	0	Attrition Adjustment
(\$63,721)	(\$111,220)	(2)	Personnel Reductions
(\$355,701)	(\$355,701)	0	Salary Funding from Other Line Items
\$11,038	\$17,576	0	Group Insurance Adjustment
(\$186,000)	(\$186,000)	0	Executive Order MJF 2002-29
\$0	(\$35,068)	0	Other Non-Recurring Adjustments - Non-recur the Office of Group Benefits premium adjustment
\$0	(\$525)	0	Other Adjustments - Modification of IAT charges to changes in IAT agreements
\$31,552	\$31,552	0	Other Adjustments - Additional rent costs for month-to-month leases due to the move to the Livingston Building
(\$80,838)	(\$130,987)	0	Other Adjustments - Reduced rent costs for space in privately owned buildings due to move to the Livingston Building
\$2,780,950	\$4,787,069	75	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$2,780,950	\$4,787,069	75	BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$2,780,950	\$4,787,069	75	GRAND TOTAL RECOMMENDED

04B-141

## **PROFESSIONAL SERVICES**

\$8,388 Additional legal consulting to be determined as required to carry out the mission of the Department

**\$8,388 TOTAL PROFESSIONAL SERVICES**

**OTHER CHARGES**

\$590 To be used for the taking of depositions.

**\$590 SUB-TOTAL OTHER CHARGES**

**Interagency Transfers:**

\$35,830 Office of Risk Management fees  
\$14,280 Radio user fees for Public Safety Services statewide emergency radio system  
\$12,830 Capitol Security - Public Safety Services  
\$103,696 Office of Telecommunication Management fees

**\$166,636 SUB-TOTAL INTERAGENCY TRANSFERS**

**\$167,226 TOTAL OTHER CHARGES**

## **ACQUISITIONS AND MAJOR REPAIRS**

\$30,836 Replacement of general office equipment

\$37,000 Replacement of library reference materials

**\$67,836 TOTAL ACQUISITIONS AND MAJOR REPAIRS**